

2 March 1959

MEMORANDUM FOR: Deputy Director of Personnel

SUBJECT: Severance Pay

1. In regard to your paper on severance pay, we believe that in all likelihood the Director could put such a program into effect, if he deemed it necessary, without additional legislation. However, we are very definitely of the opinion that it should not be put into effect without consulting, at the very least, with the Bureau of the Budget and our four subcommittees on the Hill.

2. If such presentations are made, we have a number of specific comments to take up with you on some of the arguments you use and the justification to be presented. As one example, we have some doubt as to citing the military precedent in connection with a civilian program. The whole approach is so different that it is difficult to equate the two. It might be preferable to consider the severance pay set forth in the Foreign Service Act in section 634 dealing with selection-out benefits. This provides a sliding scale up to one year's salary based on length of service, which might be fairer than the criteria suggested by you and also might be more palatable to those outside we have to consult.

3. If you plan to move ahead on this, we would very much appreciate the opportunity to work with you on it.

s/ Lawrence R. Houston

LAWRENCE R. HOUSTON
General Counsel

Att-Undtd Memo for Record
"Involuntary Separation w/
Severance Pay"

OGC:LRH:jeb
cc: OGC chrono-no circ
subject